

Legislative Council Panel on Transport

Adjustment to MTR Fares in 2010

This paper provides Members with information on the MTR Corporation Limited (MTRCL)'s Fare Adjustment Mechanism (FAM) for 2010.

Fare Adjustment Mechanism

2. MTRCL's FAM was formulated after extensive discussion at the Legislative Council during the rail merger. Upon the rail merger, MTRCL made a commitment not to increase fares on or before 30 June 2009. After 30 June 2009, MTRCL's fares are to be adjusted according to a FAM which is objective and transparent. Under the mechanism, fare adjustments will be made in accordance with a direct-drive formula linked to changes in the Composite Consumer Price Index (CCPI), Nominal Wage Index (Transport Services Sector) (Wage Index) and a fixed productivity factor.

3. The FAM was implemented since 2009 and fares were increased for the first time in 2010. The overall fare adjustment rate is +2.05%. The new fares have taken effect on 13 June 2010.

Fare Concessions

4. As regards fare concessions, the MTRCL announced a series of promotions on 19 May 2010. The relevant information is at [Appendix 1](#).

5. MTRCL extended various fare concessions which were due to expire on 30 June 2010, including Monthly Pass, Day Pass, Light Rail Personalised Octopus Frequent User Bonus Scheme, Free Light Rail/MTR Bus Connection to MTR and Free MTR Bus Connection to Light Rail, by one year till 30 June 2011. Moreover, the \$2 fare promotion for the elderly which is due to expire by end August 2010 will be extended for one year to 31 August 2011. The promotion whereby elderly can enjoy paying a flat fare of only \$2 for each MTR journey taken on Wednesdays and public holidays (excluding Sundays) will be enhanced to include Saturdays starting from 1 September 2010 to 31 August 2011. In addition, passengers who purchase Monthly Passes for use in July or August 2010 will receive a \$20 supermarket shopping voucher; between 14 June and 8 August 2010, there will be a Ride MTR for Summer Spending Promotion and passengers can redeem a \$5 MTR Shops cash coupon for every \$100 of MTR's fares from Monday to Friday of each week.

6. MTRCL will also enhance the interchange discount between MTR and New Lantao Bus with effect from 9 July 2010. Passengers will be able to enjoy a higher discount when using the same Adult Octopus card to interchange between MTR and several New Lantao Bus routes in Tung Chung, including 37/37P (Yat Tung Estate - Caribbean Coast), 38/38P and N38 (Yat Tung Estate-Tung Chung Bus Terminus) within one hour. The interchange discount will be raised from \$1 to \$1.5 for six months.

Adjustment of Individual Fares

7. The FAM allows MTRCL to apply the following principles which MTRCL has used in its calculation -

- (a) adjustments to Octopus fares are rounded to the nearest 10-cents; and
- (b) adjustments to Single Journey fares are rounded to the nearest 50-cents,

but the weighted average of all individual fare adjustments shall equal to +2.05%.

8. In calculating individual fares in accordance with the above principles, some Single Journey fares (most of which are concession fares for children and the elderly) would have a substantial increase if they are to be adjusted by 50 cents. Therefore, MTRCL has decided not to adjust these Single Journey fares now and address the issue in the next fare adjustment. Although the arrangement would mean that a small number of Single Journey fares are 10 to 20 cents lower than the Octopus fares of the same journey, passengers using Octopus will still pay a lower fare than using Single Journey tickets in most journeys. Moreover, using Octopus is very convenient and can benefit from a wide variety of promotions offered by MTRCL, such as MTR Fare Savers, interchange discount, the \$2 Fare Promotion for the Elderly, MTR Club as well as the latest Ride MTR for Summer Spending Promotion, etc.

9. There are only around 100 journeys under which MTR Single Journey fares are slightly lower than Octopus fares, representing a very small portion out of a total of 40,000 fare combinations. Details of these journeys are at Appendix 2. MTRCL has posted notices at the stations and uploaded such information on its website.

MTR Corporation
June 2010

MTR Promotions - New promotions for 2010

Enhanced \$2 Fare Promotion for the Elderly

The current promotion whereby Elder Octopus cardholders enjoy paying a flat fare of only \$2 for each MTR journey taken on Wednesdays and public holidays (excluding Sundays) to any destination in the MTR network¹ is due to expire on 31 August 2010.

MTR has decided to extend the promotion for one year to 31 August 2011. Furthermore, this promotion scheme will be enhanced. Starting from 1 September 2010 to 31 August 2011, Elder Octopus cardholders will also enjoy \$2 travel on the MTR on Saturdays as well. It is believed the promotion will encourage senior citizens to get out and involve more in community activities.

Ride MTR for Summer Spending

Between 14 June and 8 August 2010, Adult Octopus cardholders will be able to redeem a \$5 MTR Shops cash coupon for every \$100 of MTR's fares deducted from the same Octopus card from Monday to Friday of each week. Child and Elder Octopus cardholders, as well as holders of Personalised Octopus cards encoded with "Student" or "Persons with Disabilities" status will be able to redeem the same \$5 MTR Shops cash coupon for every \$50 deducted.

Monthly and Day Pass Promotion Extended

The Monthly and Day Pass promotions, due to expire on 30 June 2010, will be extended for one more year from 1 July 2010 to 30 June 2011 at new prices² as follows:

Pass	New Price
Sheung Shui – East Tsim Sha Tsui Monthly Pass	\$390
Tuen Mun – Nam Cheong Monthly Pass	\$410
Tuen Mun – Hung Hom Monthly Pass	\$480
Tuen Mun – Nam Cheong Day Pass	\$21

¹ Not applicable on the Airport Express, East Rail Line First Class, journeys to and from Lo Wu and Lok Ma Chau stations, Light Rail, MTR Bus and MTR Feeder Bus

² New prices for the current \$300/\$370 Monthly Pass will be \$315/\$390.

To thank Monthly Pass users for their past support, those who purchase Monthly Passes for use in July or August 2010 will also receive a \$20 supermarket shopping voucher.

Enhanced Interchange Discount in Tung Chung

With effect from 9 July 2010, passengers will be able to enjoy a higher discount when using the same Adult Octopus card to interchange between MTR and several New Lantao Bus routes in Tung Chung including 37/37P (Yat Tung Estate - Caribbean Coast), 38/38P and N38 (Yat Tung Estate-Tung Chung Bus Terminus) within one hour. The interchange discount will be raised from \$1 to \$1.5 for six months.

New Fare Saver at Metro Harbour Plaza

From mid-July, Adult Octopus cardholders who start their journey from Olympic or Nam Cheong stations will be able to enjoy a \$1 discount off their fare to any MTR destination (except Airport Express and the Free MTR Connections journeys offered by the Airport Express) via a new Fare Saver machine at Metro Harbour Plaza. To take advantage of the offer, all passengers have to do is swipe their Octopus card at the Fare Saver before entering through the ticket gates of Olympic or Nam Cheong stations at any time on the same day.

Light Rail and MTR Bus

The Light Rail Personalised Octopus Frequent User Bonus Scheme, Free Light Rail / MTR Bus Connection to MTR, and Free MTR Bus Connection to Light Rail using Octopus which are due to expire on 30 June 2010, will be extended for one year to 30 June 2011.

**Journeys that MTR Single Journey Fares
are lower than Octopus Fares**

Child/Elder Concession Fares

Octopus Card	Single Journey Ticket	Stations	
\$3.1	\$3.0	Mei Foo, Lai King, Kowloon Bay, Ngau Tau Kok, Kwun Tong	Hung Hom
		Mong Kok East	Mei Foo, Lai King, Kowloon Bay, Ngau Tau Kok, Kwun Tong, Kowloon, Austin
\$4.1	\$4.0	Hung Hom, Mong Kok East	Fanling, Sheung Shui, Tai Shui Hang, Heng On, Ma On Shan, Wu Kai Sha
		Kowloon Tong	Fanling, Sheung Shui
		Mei Foo, Lai King, Kowloon Bay, Ngau Tau Kok, Kwun Tong, Kowloon, Austin	Tai Wai, Sha Tin
		Che Kung Temple, Sha Tin Wai, City One, Shek Mun	Tsim Sha Tsui, East Tsim Sha Tsui
\$4.6	\$4.5	University	Mei Foo, Lai King, Kowloon Bay, Ngau Tau Kok, Kwun Tong, Kowloon, Austin
\$5.6	\$5.5	Tin Hau, Fortress Hill	Mong Kok East
		Fanling, Sheung Shui	Jordan
\$8.1	\$8.0	Mong Kok East	Yuen Long, Long Ping, Tin Shui Wai, Siu Hong, Tuen Mun
\$8.6	\$8.5	Kam Sheung Road	Hung Hom

Adult Fares

Octopus Card	Single Journey Ticket	Stations	
\$7.7	\$7.5	Tsuen Wan West	Jordan, Kowloon, Austin, Wong Tai Sin
\$8.2	\$8.0	Hung Hom, Mong Kok East	Tai Shui Hang, Heng On, Ma On Shan, Wu Kai Sha
		Kowloon, Austin	Tai Wai, Sha Tin
\$8.6	\$8.5	Mei Foo, Lai King, Kowloon Bay, Ngau Tau Kok, Kwun Tong, Kowloon, Austin	Fo Tan
		Tai Po Market, Tai Wo	Prince Edward, Shum Shui Po, Shek Kip Mei, Lok Fu, Wong Tai Sin, Nam Cheong
\$9.1	\$9.0	Mei Foo, Lai King, Kowloon Bay, Ngau Tau Kok, Kwun Tong, Kowloon, Austin	University
\$11.6	\$11.5	Mei Foo	Kam Sheung Road